

## **CITY COMMISSION MINUTES**

April 20, 2010

7:00p.m.

The regular meeting of the Junction City City Commission was held on Tuesday, April 20, 2010 with Mayor Terry Heldstab presiding.

The following members of the Commission were present: Terry Heldstab, Scott Johnson, Mike Rhodes, Ken Talley, and Jack Taylor. Staff present was: City Manager Gerry Vernon, Interim City Manager Mike Guinn, City Attorney Catherine Logan, and City Clerk Tyler Ficken.

### **GENERAL DISCUSSION**

Gaylynn Childs addressed the City Commission as Executive Director of the Partners for the Territorial Capitol. She asked that the Commission please help to keep the building open as it is where the Civil War really began. She stated that staff has maintained the building even as the events of 9/11 presented a problems with access to the base. She asked that the Commission wave the fee for the carnival. She stated that the carnival would be next to Dick Edwards. Commissioner Johnsons asked if there are insurance liability issues. Commissioner Rhodes stated that he thought the carnival was on private land.

Mark Edwards stated that his client met with staff via telephone conference call. Mark Edwards stated that the project is in the best interests of the City. Mark Edwards stated that the connection to US-77 was platted in 2006. Mr. Edwards stated that he would like to see some action on this. Mr. Edwards stated that his communications have gone unanswered. Commissioner Johnson asked if a motion is needed to direct the project to happen. City Attorney Logan stated that the City Commission has directed the City staff to work with Mr. Edwards. City Attorney Logan stated that the City has no jurisdiction over the state of Kansas on this issue. Commissioner Johnson stated that the corridor study is wrong if it says the road should not go through. Mr. Edwards stated that KAW Valley developed the plat. Commissioner Johnson asked if area legislators are willing to help. City Manager Gerry Vernon stated that a frontage road would provide opportunities for businesses in the area in the future. David Yearout stated that when this item was discussed by the MPC at the time of the plat, it was made clear that the connection was contingent on KDOT approval. Commissioner Johnson stated that the road does not go anywhere and that it is a problem.

### **CONSENT AGENDA**

Approval of the April 6, 2010 City Commission Meeting Minutes; approval of the March 30, 2010 Special City Commission Meeting Minutes. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve consent agenda as amended. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion carried.

The consideration and approval of Appropriation Ordinance dated April 1 to April 14 in the amount of \$1,091,868.99. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve consent agenda as amended. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion carried.

Monthly Reports:

1. Rolling Meadows Golf Course
2. Personnel Report
3. Fire Department
4. EMS Report
5. Codes Report
6. Water Report

The consideration and approval of the 2010 Cereal Malt Liquor Licenses for Yamato Steakhouse at 419 W. 6<sup>th</sup> St. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve consent agenda as amended. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion carried.

The consideration and approval to allow The Partners of the First Territorial Capitol Inc. to have a carnival on City property located on Grant Ave West of the East Treatment Plant. (Item removed from consent for separate discussion)

The consideration and approval of Payroll #5 and #6 for the Month of March 2010. Commissioner Rhodes moved, seconded by Commissioner Taylor to approve consent agenda as amended. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion carried.

**SEPARATE DISCUSSION**

The consideration and approval to allow The Partners of the First Territorial Capitol Inc. to have a carnival on City property located on Grant Ave west of the East Treatment Plant. Gaylynn Childs asked that the fee for the carnival be waived by the City Commission. Commissioner Taylor asked the amount of funds that are raised at the event. Gaylynn responded that approximately \$2,800 is raised. Commissioner Rhodes moved, seconded by Commissioner Johnson to approve the waiver of carnival fees for The Partners of the First Territorial Capitol Inc. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion carried.

**APPOINTMENTS**

Consideration and approval to appoint members to the EDC/Spirit Board; there will be 4 vacancies as of April 30, 2010. Stacy Schulte stated that the City Commission needs to make three appointments to the EDC board. The nominees provided board interest cards. Commissioner Rhodes stated that he would like to see bios on the proposed members prior to taking action. Commissioner Johnson moved, seconded by Commissioner Talley to reappoint Ben Kitchens to the EDC for a term of 3 years ending in April of 2013. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion

carried. Commissioner Rhodes stated that he would like bios for new appointees. Commissioner Johnson stated that he had asked for this in the past; he would also like to hear from the appointees at the City Commission meetings. Commissioner Johnson stated that he knows the appointee, and stated that he has enough information. Commissioner Johnson moved, seconded by Commissioner Taylor to appoint Alan Bontrager to the EDC as the joint City/County position for a term of 3 years ending in April of 2013. Ayes: Heldstab, Johnson, Talley, Taylor. Nays: Rhodes. Motion carried. Commissioner Johnson stated that he would like George Marcus to be on the EDC. Commissioner Johnson moved, seconded by Commissioner Taylor to appoint George Marcus to the EDC City position vacated by Mike Guinn for the remainder of term ending in April of 2011. Ayes: Heldstab, Johnson, Talley, Taylor. Nays: Rhodes. Motion carried.

### **SPECIAL PRESENTATIONS**

Mayor Heldstab to make special presentation in appreciation of Lady Troopers. Mayor Heldstab presented to Lady Troopers and thanked them for their service.

James Charlesworth with Charlesworth & Associates to present the City's property and liability insurance options for May 15, 2010 to May 15, 2011; consideration and approval of the City's property and liability insurance renewal for May 15, 2010 through May 14, 2011. Public Services Director Gowen stated that the City sends out for bids on property and liability insurance every three years; she presented James Charlesworth to discuss the contract. Mr. Charlesworth stated that the City saved \$70,000.00 last year on the insurance contract. He stated that he expected a flat rate renewal for this year, but the policy has increases in price by \$12,000.00. Mr. Charlesworth stated that the Commission has two options (1) Commission can ask the provider to reconsider as the trend is outside the market; (2) next year could work to receive renewal price earlier so that there can be negotiations. Commissioner Johnson asked what the cost should be. Mr. Charlesworth stated that it should be in the area of \$148,000.00; he also stated that City property sales will not have a great impact on the overall price of the contract. Commissioner Johnson asked Mr. Charlesworth why the price has increased. Mr. Charlesworth stated that the insurance provider has considered what the other bids were from last year, and they have increased the price of their policy accordingly. Mr. Charlesworth stated that if a loss ratio is less than 50% then a company can justify keeping rates flat. Commissioner Taylor asked how long it would take to receive a bid. Mr. Charlesworth stated that it is a 4 month process. Commissioner Rhodes asked if there would be an increased cost from his firm to go back to the insurance provider and ask them to lower the rate. Mr. Charlesworth stated that there would not be an additional charge. Commissioner Johnson moved, seconded by Commissioner Talley to accept the renewal at \$151,166 and directed Mr. Charlesworth to contact Traveler's about negotiating their renewal rate down. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Mr. Ferguson to present on Edenspace. Mr. Ferguson stated that on April 13, 2010 he made a presentation to the EDC. He stated that Edenspace is asking for consent and waiver to be approved by the City Commission. Commissioner Johnson asked when

Edenspace will be moved to Junction City with jobs; he also asked for confirmation that the City would move further down the line if liquidation of Edenspace assets occurs. Mr. Ferguson stated that there are going to be new investors, and that the picture is getting larger for all. Commissioner Johnson asked for confirmation that no other Kansas City has purchased stock in a company. Mr. Ferguson stated that Edenspace is waiting for the City to provide a building to Edenspace. Commissioner Johnson stated that Mr. Ferguson has made a lot of money and can afford to build his own building; the taxpayers want to buy their own stock. Mr. Ferguson stated that he has a lot a stake in the success of Edenspace. He has spent a large part of his career, and over \$2 million of his own money. Commissioner Johnson asked when Edenspace will be in Junction City. Mr. Ferguson stated that for him a handshake is enough, but the City is disregarding the contract by not providing a building. Mr. Ferguson stated that they want cooperation, and are willing to look at the contract, but he does not want to be told that Edenspace will be responsible for the building just because; he stated that he doesn't do business that way. Commissioner Talley stated that City Attorney Logan would be working with Edenspace to get things worked out. City Attorney Logan stated that solutions would be brought back to the City Commission. Commissioner Taylor asked is Mr. Ferguson's stock was also being diluted in this deal. Commissioner Johnson moved, seconded by Commissioner Talley to consent to waivers and consents that have been approved by Spirit of 76' in connection with the series B preferred stock and the 2010 bridge loan and to authorize the City Attorney to commence discussions with Edenspace on revision of development agreement. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

A presentation of Proclamation recognizing April 30, 2010 as the 138<sup>th</sup> Anniversary of Arbor Day. Mayor Heldstab read the proclamation recognizing April 30, 2010 as the 138<sup>th</sup> anniversary of Arbor Day.

A presentation of Proclamation recognizing April as Fair Housing Month. Mayor Heldstab read the proclamation recognizing April as Fair Housing Month.

## **UNFINISHED BUSINESS**

The consideration and approval of bids from Dave's Electric in the amount of \$65,000.00 for 909 S. Washington and Converse Family Chiropractic in the amount of \$16,101.00 for 326 S Washington. Assistant City Manager Guinn Presenting. Assistant City Manager Guinn stated that the City received bids for two City owned properties. Commissioner Johnson asked if the City had paid \$355,000.00 for the J&R Automotive land. Assistant City Manager Guinn stated that that price was for more than just the J&R property being sold now to Dave's Electric. Assistant City Manager Guinn stated that the land between the old J&R building and Spin City was thought to become parking for Spin City in the future. Commissioner Johnson asked Dave of Dave's electric what the outside of the building was going to look like. Dave of Dave's electric stated that a wooden fence was going to be built. Commissioner Johnson moved, seconded by Commissioner Taylor to approve the sale of 909 S. Washington to Dave's Electric for \$65,000.00. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion carried.

326 S Washington: Assistant City Manager Guinn stated that the City has approximately \$75,000.00 in the property. Commissioner Johnson stated that he thought the bid was low for this commercial property. Commissioner Taylor stated that it is a small lot. Assistant City Manager Guinn stated that the costs to the City included demolition, and removal of underground tanks. Assistant City Manager Guinn received information from IS Director Germann that the lot is 7,200 square feet. Mayor Heldstab called for a motion; a motion was not made. The issue died due to the lack of a motion. Assistant City Manager Guinn asked the Commission what he should now do with the property. Commissioner Johnson stated that he would like to see the property to be advertised.

## **NEW BUSINESS**

Election of Mayor. Mayor Heldstab turned the meeting over to City Manager Gerry Vernon for the nominations for the office of Mayor. Commissioner Taylor nominated Commissioner Johnson for Mayor. Commissioner Talley nominated Commissioner Rhodes for Mayor. Commissioner Taylor moved, seconded by Commissioner Heldstab to close nominations for Mayor. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried. City Manager Vernon called for a roll call vote for the selection of Commissioner Johnson as Mayor for a term ending April of 2011. Ayes: Johnson, Taylor. Nays: Heldstab, Rhodes, Talley. Motion failed. City Manager Vernon called for a roll call vote for the selection of Commissioner Rhodes as Mayor for a term ending April of 2011. Ayes: Heldstab, Rhodes, Talley. Nays: Johnson, Taylor. Motion carried. City Manager Vernon turned the meeting over to Mayor Rhodes.

Election of Vice Mayor. Mayor Rhodes asked the Commissioners for a nomination for Vice Mayor. Commissioner Heldstab nominated Commissioner Talley for Vice Mayor. Commissioner Heldstab moved, seconded by Mayor Rhodes to close nominations for Vice Mayor. Ayes: Heldstab, Rhodes, Talley. Nays: Johnson, Taylor. Motion carried.

### **Appointment of Commissioners to City Boards by Mayor Rhodes**

1. Health Board – Commissioner Johnson
2. Economic Development Commission – Commissioner Heldstab
3. Convention and Visitors Bureau – Commissioner Talley
4. Animal Shelter – Mayor Rhodes
5. Military Affairs – Commissioner Taylor

Commission appointment of official City Newspaper (Daily Union). Commissioner Heldstab moved, seconded by Commissioner Talley to appoint the Daily Union as the official City newspaper. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Motion carried.

Designation of area of representation: Northwest, Northeast, Southwest, Southeast. Mayor Rhodes assigned the following City Commissioners to their area of representation:

Commissioner Heldstab	Northwest
Commissioner Talley	Northeast
Commissioner Johnson	Southwest
Commissioner Taylor	Southeast

The consideration and approval for the City of Junction City to submit grant application forms to Kansas Housing Resources Corporation on behalf of the Open Door for general operations costs in the amount of \$46,000.00. Assistant City Manager Guinn Presenting. Commissioner Talley asked if the City has completed this for the open door in the past. Assistant City Manager Guinn stated that it has been done a number of times. Commissioner Heldstab moved, seconded by Commissioner Johnson to submit grant application forms to Kansas Housing Resources Corporation on behalf of the Open Door for general operations costs in the amount of \$46,000.00. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval of National Biplane Event Agreement with the Experimental Aircraft Association Inc. Katie Logan Presenting. Commissioner Talley asked why the prior agreement was changed. City Attorney Logan stated that there was indemnification language that was too strong in favor of the City for this event. Commissioner Heldstab moved, seconded by Commissioner Taylor to approve the National Biplane Event Agreement with the Experimental Aircraft Association Inc. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval of Vacation Order for Case No. VC-11-1-09, a petition to vacate a portion of the platted drainage easement in I-70 Industrial Park North. David Yearout Presenting. Commissioner Heldstab asked what the implications would be if the area happened to flood. David Yearout Stated that engineering estimate indicates the design as capable of handling a 100 year flood event. Mayor Rhodes asked if this would result in water being diverted onto another person's property. David Yearout stated that it would not. Commissioner Talley moved, seconded by Commissioner Johnson to approve Vacation Order for Case No. VC-11-1-09, a petition to vacate a portion of the platted drainage easement in I-70 Industrial Park North. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

The consideration and approval of Ordinance G-1066 amending title IV, Land Use, Chapter 445, Amendments, of the Municipal Code of the City of Junction City by adding Article V, Special Use Permits, including language regarding placement of commercial communication towers; certain deletions from other sections of the Zoning Regulations concerning towers are also being done. (First Reading) David Yearout Presenting. Commissioner Johnson asked if the changes would help in instances like the tower next to the ice plant; where development is being harmed. David Yearout stated that the change would give the City a say in where new towers are installed. Commissioner Rhodes stated that he would abstain from the issue since he is a member

of the communications business. Commissioner Heldstab moved, seconded by Commissioner Johnson to approve G-1066 on first reading. Ayes: Heldstab, Johnson, Talley, Taylor. Abstain: Rhodes. Nays: none. Motion carried.

The consideration and approval of R-2603 & Amendment to Interlocal Agreement to revise NRP. Stacy Schulte Presenting. Stacy Schulte stated that USD 475 and the county have both approved the NRP changes. Commissioner Johnson asked if there is an appeal process. Stacy Schulte stated that appeals would come to the City Commission. Commissioner Johnson asked if the NRP program is still on areas of prime ground; Commissioner Johnson stated that the statute makes it sound like NRP is to be used only in 3<sup>rd</sup> world country areas. City Attorney Logan stated that the statute is broad and subject to interpretation. Commissioner Johnson stated that he would like to see a portion of the taxes paid go back to improving the sidewalks and landscapes in the areas of NRP. He would also like to not see NRP used for housing development. Commissioner Talley stated that the EDC discussed the changes for hours and a number of meetings, and the current proposal is the result; he stated that he believes the revised NRP will benefit the City. Commissioner Heldstab moved, seconded by Commissioner Talley to approve R-2603. Ayes: Heldstab, Rhodes, Talley, Taylor. Nays: Johnson. Motion carried. Commissioner Heldstab moved, seconded by Commissioner Talley to approve Amendment to Interlocal Agreement to revise NRP. Ayes: Heldstab, Rhodes, Talley, Taylor. Nays: Johnson. Motion carried.

The consideration and approval of R-2602 authorizing the offering for sale of general obligation refunding and improvement bonds, series DW and taxable general obligation refunding and improvement bonds, series DX, of the City of Junction City, Kansas. David Arteberry stated that the City of Junction City has received a bond rating of A-. He stated that he expects rates to be around 4  $\frac{3}{4}$  percent. He stated that they will expect to receive quotes on bond insurance in the next couple days. He stated that an official statement for the bonds is being completed for investors. David Arteberry asked for the approval of R-2602 to proceed with the offering of the bonds; approval also approves official statement, and provides for continuing disclosures on the bonds. Commissioner Johnson asked what amount is due on the September 1 bonds. David Arteberry stated that much of what is due would be refinanced to provide for higher than anticipated special assessment delinquencies, and provide cushion in the general fund. Commissioner Rhodes asked if this would provide the City with some reserves. David Arteberry stated that it would. Commissioner Heldstab moved, seconded by Commissioner Talley to approve R-2602. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

Consideration and approval of S-3079 an ordinance authorizing and providing for the issuance of general obligation refunding and improvement bonds, series DW and taxable general obligation refunding and improvement bonds, series DX, of the City of Junction City, Kansas; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; authorizing certain other documents and actions in connection therewith; and making certain covenants with respect thereto (first reading). Commissioner Heldstab moved, seconded by Commissioner Talley to approve S-3079 on first reading. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: none. Motion carried.

## **COMMISSIONER COMMENTS**

Commissioner Johnson stated that state, federal, and local taxes are way too high; too many things are being done wrong. Commissioner Johnson stated that the public needs to get informed about the issues.

Commissioner Heldstab thanked those who worked on the City wide cleanup. Commissioner Heldstab stated that he was sorry that he did not stop Commissioner Johnson at the last Commission meeting when stated that City staff in the basement were monkeys.

Commissioner Talley wanted to congratulate City Manager Vernon on working to find a finance person for the City. He congratulated Mr. Marcus and Mr. Bontrager on appointments to the EDC. He also thanked those who participated in the City wide cleanup.

Mayor Rhodes also thanked those who participated in the City wide cleanup. Mayor Rhodes stated that as mayor he will make sure that things will be kept open to the citizens. Mayor Rhodes stated that there is a level of decorum that will be followed. He stated that it may get to the point where Commissioners will need to address the chair to speak. Mayor Rhodes stated that there is a good group of Commissioners, and he recognizes that there will not always be agreement. Mayor Rhodes stated that it is time to move ahead.

## **STAFF COMMENTS**

City Manager Vernon stated that he will be providing a monthly financial summary report for the Commission. He stated that the report will be a summary. Initial projected revenues for the Stormwater fund are \$714,000.00, but projection is only \$500,000.00. There is a yearly charge that has not yet been collected. The fund pays a portion of Engineer Assistant's salary. The remainder of the balance is for projects that will happen in the future, and also on past bond and interest costs projects. Commissioner Johnson asked about ravine. City Manager Vernon stated that refunding the additional \$47,000.00 would provide for more cushion when bonds are refunded. City Manager Vernon stated that he will make sure bios for appointees will be provided in the future.

Assistant City Manager Guinn stated that with regard to the 6<sup>th</sup> and Franklin project, KDOT has informed him that funds will need to be spent by September of 2010. Mayor Rhodes asked that this be an item on the next agenda. Assistant City Manager Guinn stated that the City wide cleanup netted less trash in terms of pounds this year, but that the cleanup last year contributed to there being less trash this year; he stated that turnout increased from 196 participants last year to 225 participants this year.

Katie Logan stated that the City maintained an A- bond rating due to a significant amount of work on the part of City staff and advisors.



## ADJOURNMENT

Commissioner Talley moved, seconded by Commissioner Heldstab to adjourn at 9:40 PM Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 4th DAY OF MAY 2010 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR APRIL 20, 2010.



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Tyler Ficken, City Clerk



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Mike Rhodes, Mayor